

ENERGY ENTREPRENEURS FIND STRONG INTEREST AND ADVICE FROM INVESTORS

14th NREL Industry Growth Forum
November 6-7, 2001
Meeting Summary

More than 100 entrepreneurs, investors, and energy companies came together in San Jose, California, to network and witness 17 clean energy entrepreneurs present their business plans to a panel of potential investors and strategic partners. The 14th NREL Industry Growth Forum, cosponsored by the California Energy Commission, demonstrated that interest in clean energy business investments remains strong despite the downturn on Wall Street.

Investor comments and recent events make it clear that new energy options are of great interest whether the driver is the environment, reliability, or energy security. The enthusiastic participation of the investment community -- and the positive and constructive tenor of the discussions -- underscored this interest. Early feedback indicates that at least 20 separate investment discussions are underway as a result of connections made at the forum.

Clean Energy Presenters

- Amonix, Inc.
- Crystal Systems, Inc.
- DCH Technology, Inc.
- ElectraStor, LLC
- Energy Photovoltaics, Inc.
- Energy Process Technologies, Inc.
- Energy Savers International
- EnGen Group, LLC
- LiTech, LLC
- Sea Power & Associates
- Sustainable Energy Technologies
- SWAN Biomass Company
- UNISUN
- Walter Juda Associates, Inc.
- Wilson Turbopower, Inc.
- Wind Turbine Company
- Zess Technologies

Changes in the investment climate were reflected in some company presentations and panelists' comments. Some entrepreneurs commented that their plans reflected downward adjustments in financing requests and deferred expansion plans. A few panelists commented on evolving perspectives on exit strategies, particularly the need to include alternative strategies to an IPO.

Observers included an additional 15 investors, as well as business incubators in the National Alliance of Clean Energy Business Incubators, representatives of public and nonprofit agencies, clean energy entrepreneurs, and consultants.

The 17 presenters were competitively selected from nearly 50 clean energy firms. Investors and incubators provided mentoring to prepare entrepreneurs for the forum. Advice ranged from how to make a convincing and succinct pitch to investors, to overall business strategy and materials for presentation.

Each entrepreneur was given 12 minutes to present the company's technology and business case, followed by 25 minutes of questions and advice on business strategy, competitive advantage, and presenting the business opportunity to future investors.

The presenting companies' development status and technology focus varied considerably. More than half of the companies had been in business fewer than five years with fewer than 10 employees, though several had been in business more than 10 years with more than 25 employees. Most businesses were based on "patented technologies," including photovoltaics, supporting technologies for fuel cells and microturbines, battery storage, wind energy, and wave and biomass energy. Most companies were seeking funding for developing the business and operations side of their business. Many were seeking advice on strategy, including distribution, licensing, and initial public offerings.

Themes that emerged from the forum included:

- A greater awareness among investors of the opportunities available in the clean energy industry
- The importance of defining the investors' exit strategy, especially in the current investment climate
- A need for entrepreneurs to demonstrate a clear, realistic understanding of the market for their product. This includes the ability to describe customers and their motivations, as well as the benefits the customer will derive from their products

Invited luncheon and dinner speakers reflected on the challenges of clean energy technology and business development as well as energy and environmental policy. Speakers were Dr. Terry Surles of the California Energy Commission and Andrew Michael of the Bay Area Council. Also, Jim Robbins, director the Environmental Business Cluster in San Jose, provided an introductory presentation to presenters reviewing key investor information requirements.

The forum concluded with a special "One-On-One Session" with the opportunity for conversation, follow-up on forum comments, and solicitation of advice. Feedback from several participants indicates that this session was extremely beneficial in exploring next steps in forming strategic partnerships.

NREL appreciates the support of forum cosponsors, including the California Energy Commission; Adams, Harkness and Hill; Pinnacle West Capital Corp.; and the NREL management team of Battelle, Bechtel, and MRI.

Lawrence M. (Marty) Murphy
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